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7 Proposed Special Counsel to Richard A. Marshack

8  
9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**  
11

12 In re:  
13 THE LITIGATION PRACTICE GROUP P.C.,  
14 Debtor.

Case No.: 8:23-bk-10571-SC

Chapter 11

**DECLARATION OF PETER M.  
SCHNEIDER**

Date: [To be set]

Time: [To be set]

Judge: Hon. Scott C. Clarkson

Place: Courtroom 5C  
411 W. Fourth Street  
Santa Ana, CA 92701

1 I, Peter M. Schneider declare as follows:

2 1. I am an attorney duly licensed to practice before the Courts of the States of Washington  
3 Oregon, Montana, and California. I have been in active practice for approximately 12 years. I am  
4 over the age of 18 and know the following facts of my own personal knowledge. If called as a witness  
5 in this matter, I could and would testify competently thereto.

6 2. I was hired on August 23, 2021 as a W2 employee by the Litigation Practice Group  
7 P.C. ("LPG") to provide legal services to LPG's clients in my capacity as an attorney and member of  
8 the bar.

9 3. I make this declaration as a neutral party in order to provide an account of the many  
10 benefits, services and successes LPG provided its clients during my time at LPG.

11 4. In addition to LPG's efforts – in which I was not involved – to invalidate or seek out  
12 of court resolution of their client's consumer debt, these monthly payments provided the client access  
13 – at no additional charge –to an experienced lawyer (such as myself) in their local jurisdiction in the  
14 event a creditor filed suit.

15 5. In such event I would defend the client – at no further expense to the client – and either  
16 obtain an outright dismissal (in a significant percentage of cases, approximately 25%) based on  
17 hardship or the Plaintiff's failure to prosecute its claim within a year, obtain a favorable settlement  
18 for the client in the average range of 50-70% of the outstanding principal balance of the debt without  
19 interest or fees, and in other instances secure outright dismissal based on the creditor's violation of  
20 the FDCPA or its state analogues, in approximately 5% of cases. These actions sometimes involved  
21 recoveries to the client for such FDCPA violations.

22 6. In all instances of settlement, the client would approve the settlement amount and  
23 terms. In virtually all instances, settlement would be funded by a commensurate reduction in the  
24 monthly fee paid by the client to LPG under their existing Legal Services Agreement. For example,  
25 if a client had a 24-month remaining obligation to LPG at \$400/month and the creditor settled for 24-  
26 monthly payments of \$200/mo., I would instruct LPG to reduce the client's monthly payment to  
27 \$200/mo. The client would then pay its creditor the difference (\$200/mo.) in satisfaction of the debt  
28 and only \$200/mo. to LPG going forward. Thus the customer's total monthly payment remained

1 \$400/mo., some attributable to settlement, the balance attributable to their Legal Service Agreement  
2 with LPG.

3 7. In some rare circumstances, clients approved settlements that required them to pay  
4 amounts in excess of their monthly payments due to LPG. In those instances, I instructed LPG to  
5 freeze collecting monthly payments from that client, so the client could apply their payment otherwise  
6 due to LPG (plus additional amounts) in satisfaction of its settlement with its creditor. But, in each  
7 such case, the client had already received valuable legal services provided by myself and other  
8 dedicated consumer attorneys.

9 8. Although my knowledge of the demise of LPG is limited, I received notice from Han  
10 Trinh that Litigation Practice Group had “shut its doors” on February 17, 2023.

11 9. When working properly, my experience with LPG was that it provided a needed and  
12 valuable service to the consumers. My 200-250 LPG clients were generally pleased with the services  
13 provided for the value.

14 10. I continue to represent legacy LPG clients notwithstanding I was not paid required  
15 401k contributions (the basis of my Proof of Claim No. 46) and no longer receive a salary from LPG.  
16 When I do withdraw from cases, I send out a certified letter, copy of LPG’s bankruptcy filing, and  
17 my withdraw materials. The majority of client reactions has been absolute shock, as I am the only  
18 person notifying them about the bankruptcy. Often times they are unaware that they have been  
19 “transferred” to other “law firms.” Many report money continues to be taken out of their accounts,  
20 sometimes twice in a month, with cryptic notations that make it unclear who is withdrawing the  
21 money. In two instances Phoenix Law has notified former LPG clients of its pending withdrawal  
22 from their bank accounts, and then continued to make the withdrawals despite the former LPG clients’  
23 written and verbal demands that it not do so, and that they never agreed to be represented by Phoenix  
24 Law. It is my sincere hope that, through the supervised process led by the Trustee and this Court, a  
25 workable solution in which LPG’s clients and former clients are provided the legal services for which  
26 they contracted and which LPG formerly provided.

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1 11. For related reasons I have filed lawsuits against Phoenix Law in the District Court of  
2 Western Washington seeking amongst other things, injunctive relief.<sup>1 2</sup>  
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4 I declare under penalty of perjury under the laws of the state of Washington that the foregoing  
5 is true and correct, and that this declaration is executed on this 1st day of June, 2023 at Bothell,  
6 Washington.  
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11 Peter M. Schneider  
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28 <sup>1</sup> Ademosu v. Phoenix Law, PC, 3:32-cv-05404

<sup>2</sup> Williams v. Phoenix Law, PC, 3:32-cv-054374

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 655 W. Broadway, Suite 800, San Diego, California 92101

A true and correct copy of the foregoing document entitled (*specify*):

### DECLARATION OF PETER M. SCHNEIDER

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On July 7, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On July 7, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on July 7, 2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**JUDGE'S COPY**

The Honorable Scott C. Clarkson  
United States Bankruptcy Court  
Central District of California  
Ronald Reagan Federal Building and Courthouse  
411 West Fourth Street, Suite 5130 / Courtroom 5C  
Santa Ana, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 7, 2023  
Date

Caron Burke  
Printed Name

/s/ Caron Burke  
Signature

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

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